

# Fully-Integrated Manufacturer and Servicer of Essential Airport Baggage Handling Systems

Headquartered in Western Canada with USA Operations



2018 Est. Revenue \$20,500,000

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Est. Adj. EBITDA \$4,520,000

- **Superior Name and Reputation:** In business since 1982, the Company has built substantial goodwill by providing quality products and excellent customer service. The Company is well-known for its exceptional project performance, professionalism, and efficient operations. The Company's products are dependable and economical, and are designed stressing quality and reliability. Emphasis is placed on standardized, modular design, and construction. The Company's commitment to quality products and service has positioned it as the baggage conveyor supplier of choice for many architects, engineers, and airline clients.
- **Comprehensive Service Offering:** The Company is an original equipment manufacturer (OEM) offering specialized design and installation services. The Company also operates and maintains the baggage conveyor systems under contract for airport operations. Additionally, the Company has an in-house fabrication shop and personnel in order to provide custom work for a customer's specific needs.
- **World-Wide Reach:** The Company has supplied and installed its airport conveyor equipment in approximately 40 States in the USA, all territories and provinces in Canada, as well as about a dozen other countries. For its US operations, the Company has a satellite facility located in a major American airport hub.
- **Outstanding Growth Opportunities:** Several opportunities exist for the Company to increase revenue and profit, including leveraging its proven reputation to pursue new and existing markets. These opportunities are easily attainable given the appropriate investments in capital and human resources.
- **Industry Expertise:** In addition to the principal's extensive experience, many of the Company's key employees also have significant industry and service knowledge. This wealth of experience and expertise provides the Company with a significant intangible asset and advantage over many regional and national competitors.
- **Reviewed Financial Statements:** The Company's financial statements are reviewed by an outside accounting firm. The use of an outside accounting firm provides greater assurance to the accuracy and credibility of the historical financial performance.
- **Critical Mass:** The Company's sales of \$20.5 million in 2018 will be attractive to buyers seeking to establish a foothold or increase market share within the industry. The Company's critical mass is a result of its quality of products, service offerings, equipments, capabilities, and established reputation within the industry.
- **Backlog of Signed Contracts:** The Company has current backlog in excess (and growing) of \$27.5 million of projects expected to be completed in the remaining months of 2018 and into 2019.

For additional information regarding Client #60150-MG&DH, please execute and return the attached Confidentiality Agreement via email to [dho@generational.com](mailto:dho@generational.com)

**Client #61468-DH**

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# Fully-Integrated Manufacturer and Servicer of Essential Airport Baggage Handling Systems



The Company has implemented baggage handling systems in airports across North America and the world, ranging from large, complex explosive detection / sortation systems to simple, single conveyor arrangements. The Company's commitment to quality products and service has positioned it as the baggage conveyor supplier of choice for many architects, engineers, and airline clients. Though the business is headquartered in Canada, the majority of sales are to US airports.

The Company prides itself on the provision of fully-integrated turnkey solutions. Working in close partnership with its clients, the Company is fully involved from the initial stages of system design and engineering, manufacturing and installation through to operations and maintenance training, maintenance support, customer service, as well as system upgrades and refurbishment.

The Company also specializes in laser cutting and fabricating mild steel, stainless steel, and aluminum. The Company's 60,000 square foot facility allows it to cut, etch, brake, punch, pem, weld, machine, roll, assemble, and paint various parts and projects. The Company also offers engineering and drawing services and has built parts for oilfield trucks, electrical cabinets, panels, pumps, enclosures, and airport baggage conveyors.

Our Client is seeking a financial or strategic acquirer to assist in continuing and accelerating the growth being experienced. Additionally, our Client is amenable to contingent soft structure, retaining equity, and providing transition assistance to new management.

## Recast Historical and Pro Forma Statement of Income<sup>(a)</sup>

For the Fiscal Years Ended October 31

(\$000)

	Historical			Est.	Projected	
	2015	2016	2017	2018	2019	2020
<b>Sales</b>	29,833	21,290	24,427	20,500	22,600	25,300
<b>% Growth</b>	--	-28.6%	14.7%	-16.1%	10.2%	11.9%
<b>Gross Profit</b>	13,537	9,337	7,346	8,200	9,040	10,120
<b>% of Sales</b>	45.4%	43.9%	30.1%	40.0%	40.0%	40.0%
<b>EBIT</b>	9,083	4,566	2,833	4,287	4,868	5,625
<b>% of Sales</b>	30.4%	21.4%	11.6%	20.9%	21.5%	22.2%
<b>EBITDA</b>	10,109	5,300	3,526	4,520	5,117	5,888
<b>% of Sales</b>	33.9%	24.9%	14.4%	22.0%	22.6%	23.3%

## Adjusted Balance Sheet<sup>(b)</sup>

As of October 31, 2017

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Current Assets	7,429	Current Liabilities	1,009
Net Fixed Assets	2,273	Non-Current Liabilities	--
Other Assets	--	Equity	8,693
Total Assets	9,702	Total Liability & Equity	9,702

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